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8 BANKRUPTCY COURT FOR THE
9 EASTERN DISTRICT OF WASHINGTON AT SPOKANE

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11 In re Giga Watt, Inc.,
12 Debtor.

UNSECURED CREDITORS
COMMITTEE'S RESPONSE TO
ALLRISE FINANCIAL GROUP'S
MOTION FOR ALLOWANCE AND
PAYMENT OF ADMINISTRATIVE
CLAIM

CASE NO: 18-03197 FPC 11

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16 The Committee of Unsecured Creditors ("Committee") of the Chapter 11 Bankruptcy
17 Estate of Giga Watt, Inc. ("Debtor") hereby responds to the Motion of Allrise Financial Group
18 ("Allrise"),¹ ECF No. 459, as follows:

19 First, if the mining equipment of Allrise is in the possession of the Chapter 11 Trustee,
20 then the Trustee should give the mining equipment back, as it does not constitute property of
21 the bankruptcy estate. That said, even based on the narrative and evidence presented, it still
22 seems unclear as to what is the status of such mining equipment. Most of the relief requested
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25 ¹ The Motion curiously references two Allrise entities, Allrise IP Holding, Inc., as well as its
26 affiliate, Allrise Financial Group. If the party that purchased the mining equipment is distinct
from the entity that is filing the present motion, it needs to be shown why the movant has
standing to seek the present relief.

1 by Allrise therefore seemed premature, certainly until Allrise propounds a FRBP 2004 exam on
2 the bankruptcy estate, and determines whether or not the mining equipment is being held by the
3 Trustee. Further, from a priority standpoint, it should make a difference as to whether the
4 Trustee is benefiting from use of the mining equipment or has negligently misplaced it. That
5 too should be clarified.
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7 Second, if such discovery determines that the property is in the hands of the Trustee, the
8 appropriate remedy would seem to be a motion for turnover, as opposed to the specific request
9 that Allrise be paid what is claimed to be the “value” of the mining equipment. Relevant
10 caselaw states that it is fair market value of assets used by the estate, and not their replacement
11 cost, that determines administrative priority. *In re Dant & Russell, Inc.*, 853 F.2d 700, 707 (9th
12 Cir. 1988). Further proceedings are therefore required to determine this proper amount, and
13 only then can the Court grant any remedy in favor of Allrise.
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15 DATED this 17th day of February, 2020.

16 SALISH SEA LEGAL PLLC

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18 By /s/ Ben Ellison

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